

PRESS RELEASE

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FOR IMMEDIATE RELEASE:
November 14, 2002

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CONYERS CRITICIZES GOP FOR PASSING SPECIAL INTEREST BANKRUPTCY BILL

Congressman John Conyers, Jr., Ranking Member of the House Judiciary Committee and Dean of the Congressional Black Caucus, issued the following statement regarding H.R. 333, the "Bankruptcy Abuse Prevention and Consumer Protection Act of 2001":

"I am amazed that at a time when our country is mired in a recession, the stock market is reeling, when more Americans are unemployed at any time since 1993, the Republicans would bring this special interest bill to the floor. This is a bill by, of and for the special interest, and is not being thought in any way, shape, or form by ordinary working Americans.

And this is not just any bankruptcy bill, it is a bill that massively tilts the playing field in the favor of creditors and against the interests of ordinary consumers and workers. A bill opposed by every consumer group, by the bankruptcy judges and trustees, by organized labor, and by every major group concerned about seniors, women, children, and victims of crime.

To all of my friends on both sides of the aisle who tell me that this bill is balanced and fair, I have one response – read the conference report.

To those who argue the bill only punishes wealthy debtors, I tell them to read how the bill gives creditors massive new rights to bring threatening motions against low income debtors. Read how the bill permits credit card companies to reclaim common household goods which are of little value to them, but very important to the debtor's family. Read how the bill makes it next to impossible for people below the poverty line to keep their house or their car in bankruptcy.

To those who claim the bill protects alimony and child support, I would ask them if they are aware that the bill creates major new categories of non dischargeable debt that compete directly against the collection of child support and alimony payments. Whether they are aware the bill allows landlords to evict battered women without bankruptcy court approval, even if the eviction poses a threat to the woman's physical well being. Whether they are aware the bill forces women and children involved in bankruptcy to file personal information with the court, which is then placed on line where the whole world has direct access to it.

To those who assert the bill cracks down on credit card abuse, I would ask them if they have bothered to read the meaningless boilerplate requirements included in the bill. I would ask if they realize the bill does absolutely nothing to discourage abusive under-age lending, nothing to discourage reckless lending to the developmentally disabled, and nothing to regulate the practice of so-called 'subprime' lending to persons with no means or little ability to repay their debts.

To those who suggest the bill fixes the problem of homestead exemption abuse, I would suggest that rather than repeal or even cap the homestead exemption, the bill places only weak obstacles in its place. The bill does nothing to prevent the very worst abuses in the bankruptcy code, such as bilking seniors out of billions of dollars of their life savings while living high on the hog in their multi-million dollar mansions.

And finally, to those who believe the bill merely streamlines and expedites business bankruptcies, I would ask them to read the provisions that add numerous new paperwork burdens, imposes arbitrary deadlines, and makes it far more likely that struggling businesses will be forced to liquidate and terminate workers.

Most amazing of all is the fact that Congress is taking these actions at a time when we are in the middle of an agonizing recession. This is like pouring gasoline on a fire of economic uncertainty and layoffs.

Last year 1.4 million middle-class individuals filed for bankruptcy. Their average income was less than \$25,000, and the principal causes for their filings were layoffs, health problems and divorce. In my judgment, it would be a grave mistake to punish these individuals at a time of such great economic uncertainty and to reward credit card companies and business lobbyists when corporate greed has already destroyed the lives of millions of American workers.”

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